**U.S. Department of Commerce**

# HUMAN RESOURCES SUMMIT

### 'The Changing Faces of Human Resources for HR Professionals'

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**Hosted by the**
**Office of the Secretary**
**Office of Human Resources Management**

# President's Management Agenda

## Presented by

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# Agenda

- **What is the President's Management Agenda?**

- **How does Commerce compare to other agencies in producing results?**

- **What are the tools and techniques used to monitor progress in producing results?**

# Learning Objectives

- **Overview of the President's Management Agenda including initiatives, standards, and reporting requirements**

- **Planning, implementation, and evaluation of the President's Management Agenda at Commerce**

- **Examples of major results that are being used to transform government-wide processes, procedures, and systems**

# What is the President's Management Agenda?

- The Office of Personnel Management holds each Federal agency accountable for meeting the standards that are outlined in the President's Management Agenda.

- The President's Management Agenda, announced in the summer of 2001, is an aggressive strategy for improving the management and performance of the Federal government. It focuses on five areas of management weaknesses across the government where improvements and the most progress can be made.

  - Strategic Management of Human Capital
  - Competitive Sourcing
  - Improved Financial Performance
  - Expanded Electronic Government
  - Budget and Performance Integration

# What is the President's Management Agenda?

- **8 standards for measuring results on the Human Capital initiative**
  - Comprehensive human capital plan
  - Organizational structures
  - Succession strategies
  - Performance appraisal and awards systems
  - Under representation
  - Hiring timeline
  - Accountability reviews

- **OMB reviews documentation of results in order to score agencies on the five initiatives in the areas of "current status" and "progress" each quarter**

# How does Commerce compare to other agencies in producing results?

- In the first quarter of FY 2005, Commerce earned a "Green" score for status contingent upon fully implementing a multi-tier performance appraisal system by October 1, 2005. This goal was not met on schedule.

- Therefore, in the fourth quarter of 2005, Commerce's status score was changed to "Yellow." Census and NOAA comprise over 64% of the workforce and the human capital standard (over 60% of agency workforce) will be met when the multi-tier system is implemented in these bureaus.

# Executive Branch Management Scorecard

| | Current Status as of September 30, 2005 | | | | | Progress in Implementing the President's Management Agenda | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Human Capital | Competitive Sourcing | Financial Perf. | E-Gov | Budget/Perf. Integration | Human Capital | Competitive Sourcing | Financial Perf. | E-Gov | Budget/Perf. Integration |
| AGRICULTURE | Yellow | Yellow | Red | Yellow | Yellow | Green | Green | Green | Green | Green |
| COMMERCE | Yellow ↓ | Yellow | Green | Yellow | Yellow | Green | Green | Green | Green | Green |
| DEFENSE | Yellow | Red | Red | Red | Yellow | Green | Red | Yellow | Red | Green |
| EDUCATION | Yellow | Green ↑ | Green | Yellow | Yellow | Green | Green | Green | Green | Green |
| ENERGY | Green | Yellow ↓ | Yellow | Yellow | Green | Green | Yellow | Yellow | Green | Green |
| EPA | Yellow | Yellow | Green | Yellow ↓ | Green | Yellow | Yellow | Green | Yellow | Green |
| HHS | Green | Green | Red | Green | Green | Green | Green | Green | Green | Green |
| DHS | Yellow | Yellow | Red | Red | Yellow | Green | Yellow | Yellow | Red | Green |
| HUD | Yellow | Yellow | Red | Yellow | Yellow | Yellow | Green | Green | Green | Green |
| INTERIOR | Green ↑ | Green | Red | Red ↓ | Green | Green | Green | Green | Red | Green |
| JUSTICE | Green ↑ | Yellow | Red | Red ↓ | Yellow | Green | Yellow | Yellow | Red | Green |
| LABOR | Green | Green | Green | Green | Green | Green | Green | Green | Green | Green |
| STATE | Green | Yellow | Green | Yellow ↓ | Green | Green | Green | Green | Green | Green |
| DOT | Green | Green | Red | Green | Green | Green | Green | Green | Green | Green |
| TREASURY | Yellow | Green | Red | Green | Yellow | Green | Green | Yellow | Green | Green |
| VA | Yellow | Red | Red | Red | Red | Green | Red | Green | Green | Green |
| AID | Yellow | Red | Red | Red ↓ | Yellow | Green | Green | Green | Yellow | Green |
| CORPS | Green | Yellow | Red | Red | Red | Green | Green | Yellow | Red | Red |
| GSA | Yellow | Green | Green ↑ | Yellow | Yellow | Green | Yellow | Green | Green | Green |
| NASA | Green | Green | Green | Yellow ↓ | Green | Yellow | Green | Red | Yellow | Yellow |
| NSF | Green | Red | Green | Green | Green | Green | Yellow | Green | Green | Green |
| OMB | Yellow | Red | Red | Yellow | Red | Green | Green | Green | Green | Yellow |
| OPM | Green | Green | Red | Yellow | Yellow | Green | Green | Green | Green | Green |
| SBA | Yellow | Green ↑ | Red | Green | Green | Green | Green | Green | Green | Green |
| SMITHSONIAN | Yellow ↑ | Red | Red | Red | Yellow | Green | Red | Green | Green | Green |
| SSA | Green | Yellow | Green | Yellow | Green | Green | Green | Green | Green | Green |

↑ ↓ Arrows indicate change in status since evaluation on June 30, 2005

# STRATEGIC MANAGEMENT OF HUMAN CAPITAL

| 🟢 | 🟡 | 🔴 |
|---|---|---|
| Agency: | Agency: | Agency: |
| • Implemented a comprehensive Human Capital Plan that is fully integrated with the agency's overall strategic plan, analyzes the results relative to the plan, and uses them in decision making to drive continuous improvement;<br><br>• Analyzed existing organizational structures from service and cost perspectives and is implementing a plan to optimize them using redeployment, restructuring, competitive sourcing, E-Gov solutions, and delayering, as necessary; and has process(es) in place to address future changes in business needs;<br><br>• Succession strategies, including structured executive development programs, result in a leadership talent pool and agency meets its targets for closing leadership competency gaps;<br><br>• Demonstrates that it has performance appraisal and awards systems for all SES and managers, and more than 60% of the workforce, that effectively: link to agency mission, goals, and outcomes; hold employees accountable for results appropriate for their level of responsibility; differentiate between various levels of performance (i.e., multiple performance levels with at least one summary rating above Fully Successful); and provide consequences based on performance. In addition, at a beta site, there is evidence that clear expectations are communicated to employees; rating and awards data demonstrate that managers effectively planned, monitored, developed and appraised employee performance; and the site is ready to link pay to the performance appraisal systems. The agency is working to include all agency employees under such systems;<br><br>• Reduced under representation, particularly in mission-critical occupations and leadership ranks; established processes to sustain diversity;<br><br>• Meets targets for closing competency gaps in mission critical occupations, and integrates appropriate competitive sourcing and E-Gov solutions into gap closure strategy;<br><br>• Is on track to meet its planned aggressive hiring timeline goals and hiring process improvements; **AND**<br><br>• Periodically conducts accountability reviews with OPM participation, taking corrective and improvement action based on findings and results, and providing annual report to agency leadership and OPM for review and approval. | • Developed, documented and communicated throughout the agency a comprehensive Human Capital Plan that:<br>  ▪ Clearly aligns with the agency's mission, strategy and goals;<br>  ▪ Fully addresses the Human Capital Assessment and Accountability Framework (HCAAF);<br>  ▪ Incorporates metrics, including timelines for implementation; and<br>  ▪ Designates accountable officials;<br><br>• Analyzed and optimizing existing organizational structures from a service delivery perspective, using redeployment and delayering as necessary;<br><br>• Implemented succession strategies, including structured executive development programs, to assure continuity of leadership, sets targets for closing leadership competency gaps, and has implemented gap closure strategy;<br><br>• Implemented merit-based appraisal plans and awards programs that link to agency mission, goals and outcomes; hold employees accountable for results appropriate for their level of responsibility; differentiate between various levels of performance; and provide consequences based on performance for all SES and managers. Implementing, at a beta site, performance appraisal and awards systems that are fair, credible and transparent; assure managers are competent in their role as managers; hold managers accountable for managing employee performance, as reflected in their performance plans and ratings; and include employee involvement and feedback. The agency is working to include all agency employees under such systems;<br><br>• Implemented strategies to address under representation, particularly in mission-critical occupations and leadership ranks;<br><br>• Conducted a workforce analysis to identify, set targets, and address competency gaps in mission critical occupations, and developed short- and long-term strategies to close gaps, including targeted employee development and recruitment and retention programs;<br><br>• Has regular, auditable system(s) for collecting and analyzing data on stages of the hiring process consistent with CHCO Council criteria, and sets a standard for time from closing of announcement until offer is made (e.g., 30 days for SES and 45 days for all others); **AND**<br><br>• Has developed an OPM-approved accountability system, based on the HCAAF; the system uses outcome measures to make human capital decisions, demonstrate results, and drive continuous improvement in human capital standards. The system includes conducting periodic accountability reviews with OPM participation, taking corrective and improvement action based on findings and results, and providing an annual report to agency leadership and OPM for review and approval. | • Lacks a comprehensive Human Capital Strategy:<br><br>• Has not done analysis or initiated steps to ensure that its organization structure is optimal for service delivery;<br><br>• Has not identified leadership gaps and implemented succession strategies to assure continuity of leadership;<br><br>• Has not implemented a performance appraisal system for SES and managers that is linked to agency mission, goals and outcomes, effectively differentiate between various levels of performance, and provides consequences based on performance;<br><br>• Has not identified under-representation or implemented strategies to address it;<br><br>• Has not implemented a workforce planning system to identify and address competency gaps in mission critical occupations to create a quality workplace that continues to attract and retain talent;<br><br>• Has not made progress toward meeting aggressive hiring time standards and does not make use of hiring flexibilities; **OR**<br><br>• Has not developed a planning and accountability system using metrics, to evaluate performance on all of the Human Capital Standards. |

# What are the tools and techniques used to monitor progress in producing results?

- OMB and OPM quarterly audit reviews of the actions taken and the planned actions listed on the Executive Scorecard

- Organizational performance reviews conducted quarterly by the Deputy Secretary of Commerce

- Semi-annual Human Resources Measurement Survey deployment and analyses by bureau

- Accountability audit reviews of Commerce operating units

| Initiative | CURRENT STATUS (As of December 30, 2005) | | PROGRESS First Quarter, FY 2006 | COMMENTS |
|---|---|---|---|---|
| **HUMAN CAPITAL**<br><br>**Agency Lead:**<br>Otto J. Wolff<br><br>Deborah A. Jefferson<br><br><br><br><br>**Lead RMO Examiner:**<br>Robert H. Alderfer<br><br>**OPM HC Officer:**<br>Jill E. Rajaee | Yellow<br><br>Next ↑<br>FY06<br>Q4 | **Comprehensive human capital plan**<br>X developed, etc. Q3/02<br>X results analyzed & used Q3/03<br>**Organizational structures**<br>X current structure analyzed and restructuring begun Q3/02<br>X structure optimized & addressing future challenges Q4/04<br>**Succession strategies**<br>X implemented Q2/03<br>X continuously updated talent pool assured Q4/03<br>**Performance appraisal plans adhere to merit system principles, etc.**<br>X SES & mgrs. Q1/03<br>_ 60%+ of agency<br>X beta site completed Q1/06<br>**Under representation**<br>X implemented strategies to address Q3/03<br>X reduced & established process to sustain diversity Q4/04<br>**Skill gaps**<br>X workforce planning system implemented Q3/03<br>X identify and set competency targets Q4/05<br>X significant reduction in mission critical gaps Q1/05<br>X met competency gap targets (ongoing)<br>**Hiring timelines reduced**<br>X collects data & sets standard Q1/04<br>X on track to meet goals Q1/05<br>**Accountability system and reviews**<br>X system developed Q4/02<br>X conducts reviews and takes corrective action Q3/03<br>_ provided annual report | Green | Actions taken this quarter:<br>• Implemented 5-tier performance appraisal system across selected bureaus. Census and NOAA began conducting impact and implementation bargaining.<br>• Established targets to close competency gaps for HR and leadership; evaluated progress in closing gaps for selected mission-critical occupations.<br>• Assessed succession plans, identified gaps, and developed a plan of action to close gaps.<br>• Assessed performance appraisal systems, identified gaps, developed a plan of action to close gaps and began implementation.<br>• Developed plan for conducting accountability activities in FY 2006.<br><br>Planned actions for next quarter:<br>• Implement plan of action to close gaps in the performance appraisal systems in bureaus and beta site (OS) using OPM requirements.<br>• Begin implementing actions to close gaps identified in succession plans.<br>• Launch 2006-07 SES CDP, Exec Leadership Development Program and Aspiring Leaders Development Program to close targeted leadership competency gaps.<br>• Conduct briefings on hiring flexibilities on-site at the bureau level as a means of closing HR and leadership competency gaps.<br>• Implement accountability plan. | • The Department completed all of its planned actions for the last quarter, and implemented the new multi-tier performance appraisal system in BIS, ESA, ITA, MBDA, NIST, NTIA, NTIS and the Office of the Secretary (OS) in October 2005. NOAA and Census began collective bargaining in Q1 FY 2006 in order to implement by October 2006.<br><br>• Subsequent to the joint audit of human capital programs conducted by OPM and Commerce, Commerce began analyzing the findings and making improvements.<br><br>• Commerce has developed a comprehensive range of leadership development and certificate programs for employees at all levels, from GS-2 to the SES.<br><br>• Commerce is on track with meeting Proud to Be III goals. |

**Agency Lead**: Otto J. Wolff
Chief Human Capital Officer
Chief Financial Officer and Assistant Secretary for Administration

**Initiative Owner:** Deborah A. Jefferson
Director for Human Resources Management

**Senior Advisor**: Janice L. Guinyard
Acting Director, Office of Human Capital Planning & Management

## OMB and OPM "Green" Standards for Success:

- ✓ Implemented a **comprehensive Human Capital Plan** that is fully integrated with the agency's overall strategic plan, analyzes the results relative to the plan, and uses them in decision making to drive continuous improvement;
- ✓ Analyzed existing **organizational structures** from service and cost perspectives and is implementing a plan to optimize them using redeployment, restructuring, competitive sourcing, E-gov solutions and delayering, as necessary; and has process(es) in place to address future changes in business needs;
- ✓ **Succession strategies**, including structured executive development programs, result in leadership talent pool and agency meets targets for closing leadership competency gaps;
- ✓ Demonstrates that it has **performance appraisal and awards systems** for all SES and managers, and more than 60% of the new workforce, that effectively: link to agency mission, goals and outcomes; hold employees accountable for results appropriate for their level of responsibility; differentiate between various levels of performance (i.e., multiple performance levels with at least one summary rating above Fully Successful); and provide consequences based on performance. In addition, at a beta site, there is evidence that clear expectations are communicated to employees; rating and awards data demonstrate that managers effectively planned, monitored, developed and appraised employee performance; and the site is ready to link pay to performance appraisal systems. The agency is working to include all agency employees under such systems.
- ✓ Reduced **under representation**, particularly in mission-critical occupations and leadership ranks; established processes to sustain diversity;
- ✓ Meets targets for closing **competency gaps** in mission-critical occupations and integrates appropriate competitive sourcing and E-gov solutions into gap closure strategy;
- ✓ Is on track to meet its planned aggressive **hiring timeline** goals and hiring process improvements; AND
- ✓ Periodically conducts **accountability reviews** with OPM participation, taking corrective and improvement action based on findings and results, and providing annual report to agency leadership and OPM for review and approval.

## Key Milestones

### FY 2005 – Fourth Quarter

- Launch Commerce Career Counseling pilot program as a retention tool and measure employee satisfaction results as an indicator of increased retention rate.
- Conduct performance management briefings (via web conferencing system) for employees to prepare to transition to a multi-tier performance appraisal system.
- Develop and communicate plan to address results of the 2004 Federal Human Capital Survey.
- Launch Human Resources certification training and development program in order to reduce competency skill gaps.
- Conduct Recruitment and Staffing Summit for hiring officials, Human Resources Specialists, and Corporate Recruiters to provide tools and techniques to increase applicant pool.
- Work with OPM to improve accountability system, starting with the Q4 on-site audit.

### FY 2006 – First Quarter

- Continue to transition to multi-tier performance appraisal system.
- Assess competency models to further close skill gaps.
- Establish targets to close competency gaps for human resources management and mission-critical occupations.
- Conduct further training for supervisors and senior executives to close leadership competency gaps.
- Develop plan for conducting accountability activities in FY 2006.

### FY 2006 – Second Quarter

- Manage the ongoing implementation and assessment of 5-tier performance appraisal system in bureaus and beta site (OS) using OPM requirements.
- Begin implementing actions to close gaps identified in succession plans.
- Launch 2006-07 SES Candidate Development Program for employees at the GS-14 and 15 and equivalent levels, Executive Leadership Development Program for employees at the GS-13 and 14 and equivalent levels, and Aspiring Leaders Development Program for employees at the GS-7 through 12 and equivalent levels to close leadership competency gaps.
- Conduct briefings on hiring flexibilities on-site at the bureau level.

### FY 2006 – Third Quarter

- Assess level of improvement to the hiring process.
- Conduct performance management training for supervisors and managers to close skill gaps.
- Launch 2006-2007 Administrative Professional Certificate Program for employees GS-2 through GS-8 and equivalent to close skill gaps.
- Demonstrate readiness to assume responsibility for identifying and resolving human capital management problems through results of conducting accountability reviews.

## Key Results

- 100% of bureaus set and meet targets through leadership succession model to close competency gaps.
- 100% of Department of Commerce supervisors, managers, and executives are held accountable for managing employee performance.
- 100% of bureaus set and meet targets to close competency gaps for human resources management and mission-critical occupations.
- 65% of IT Project Management, IT security, and IT architecture competency gaps closed Department of Commerce-wide.
- Continued improvement in applicant satisfaction with hiring system.

# What's on the Horizon

- OMB and OPM quarterly audit reviews of the Commerce executive scorecards
- Organizational performance reviews conducted quarterly by the Deputy Secretary of Commerce
- 2006 Federal Human Capital Survey and semi-annual Human Resources Measurement Survey deployment and analyses by bureau
- Accountability audit reviews of Commerce operating units
- Report on results in implementing the Proud To Be III targets by June 2006 and submission of the where we would be Proud To Be IV by June 2007 targets in May 2006

# Where to Get More Information

- **White House Results website: http://www.whitehouse.gov/results/agenda/index.html**
- **Office of Management and Budget website: http://www.whitehouse.gov/omb/budintegration/pma_index.html**
- **Office of Personnel Management website: http://www.opm.gov/Strategic_Management_of_Human_Capital/index.asp**
- **Commerce/Office of the Secretary/OHRM http://www.ohrm.os.doc.gov/Strategic/index.html**

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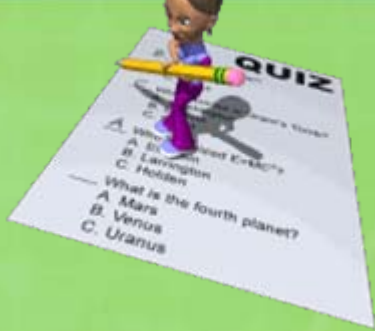
# Quiz

1. How many initiatives are there in the Presidents' Management Agenda?
   - 9
   - 7
   - 5
   - 3
   - None of the above

2. Which initiative in the President's Management Agenda is designed to produce measurable improvements in managing the workforce?
   - Competitive sourcing
   - Workforce development
   - Knowledge management
   - Human capital
   - None of the above

3. The primary tool that Commerce uses to monitor progress in producing results for the President's Management Agenda is?
   - Quarterly scorecards
   - Customer surveys
   - Audit reviews
   - Focus groups
   - None of the above

4. Two of the 8 standards of the Human Capital initiative include:
   - Accountability system and hiring timelines
   - Skill gaps and workforce development
   - Succession strategies and knowledge management
   - Competitive sourcing and organizational structures
   - None of the above

5. For the first quarter of FY 2006, the Commerce scores on the Human Capital initiative executive scorecard for current status and progress, respectively are:
   - Red and yellow
   - Green and green
   - Yellow and green
   - Green and yellow
   - None of the above